

States well over a hundred years ago.

In trying to establish distinctions that are not distinctions, Berle has to assume in spite of his own evidence that the nature of man has somehow changed in the twentieth century. Today, he says, the "scientific institute of scholars" is the primary decision-maker in capital allocations. Well, wasn't it always thus? Eli Whitney was a scholar, just out of Yale, when he invented the cotton gin. He had no capital, yet he was the "decision-maker" that fastened the slave plantation system on the South for fifty years. And he had only a War Department contract when he started to apply mass production principles to the manufacture of guns. How does this differ in any basic sense from what goes on today? Whitney had ideas and he attracted capital for their exploitation. Similarly, that twentieth century Harvard scholar and chemist, Dr. Carothers, had ideas about synthetic fibers. The Du Ponts backed Carothers' brains with money in the age-old capitalistic way.

Adolf Berle is far more sympathetic to free enterprise than he was in his New Deal days. But he still can't see that the principles of freedom do not change, for they are grounded in the eternal nature of man. ♦

► THE FREE AND PROSPEROUS COMMONWEALTH by Ludwig von Mises, translated by Ralph Raico (D. Van Nostrand Company, 207 pp., \$5.50).

Reviewed by Percy L. Greaves, Jr.

THERE are right answers to our social problems, and Ludwig von Mises, truly an *economiste extraordinaire*, packs his books with them.

Back in 1927 he pictured the pitfalls ahead for nations whose governments grant privileges to the political groups that keep them in power. More than a generation ago, he foresaw that the existence of such privileges would disrupt world trade and lead to political persecutions, wars between the western powers, and bloodshed in Asia and Africa, while Russia continued to act "like a robber who lies in wait for the moment he can pounce on his victim and plunder him of his possessions."

Mises, then an Austrian citizen, wrote this book in German as a warning to all Europeans, and especially the Germans. If his book had been read, digested, and heeded by the thought leaders of that day, the world would have been spared a multitude of miseries and millions of needless deaths. The horrors of the past cannot be

undone. However, it is never too late to learn the elementary principles that whole populations must practice if men are ever to live in harmony with a continuing multiplication of human comforts. So we can be happy that Ralph Raico, a bright and promising graduate student, has made this book available in English as *The Free and Prosperous Commonwealth*.

The contents are actually better described by the English subtitle, *An Exposition of the Ideas of Classical Liberalism*. Mises writes of liberalism in its true and original meaning, the limitation of political power to the restraint, prescription, and prevention of anti-social actions which disrupt man's peaceful pursuit of happiness.

Liberalism in this sense prescribes the private ownership and control of all productive property. It holds that the private owners of such property can advance their own welfare only by offering consumers higher values than can be duplicated elsewhere for the same expenditure of funds or effort. The security of such property from theft encourages all sorts of investments in socially productive facilities. These increased investments, along with increased specialization of labor, account for the higher living standards of market societies.

Progressive societies of this

type can exist only in areas where peace is preserved at the factory gates and market place. Under real liberalism, the function of government is to maintain that peace by protecting the lives and property of all who come to rely on the market for their supplies of necessities, as well as the luxuries that become the necessities of the next generation.

Unfortunately, as Mises writes in the new Preface, "the tenets of this nineteenth-century philosophy of liberalism are almost forgotten. ... In the United States 'liberal' means today a set of ideas and political postulates that in every regard are the opposite of all that liberalism meant to the preceding generations. The American self-styled liberal aims at government omnipotence, is a resolute foe of free enterprise, and advocates all-round planning by the authorities, i.e., socialism."

Today, most modern "liberals" think they have found a shortcut to economic prosperity — massive political action. They hold that the injustices of our world can all be corrected by the political direction of a "more equal" distribution of wealth. The first step they advocated was to levy confiscatory taxes on corporations and higher-than-average personal incomes for "redistribution" among those groups whose votes they sought.